(c) and (d) As per the Judgement of Income Tax Tribunal in O.R Sharma *Vs* ITO (1986) 17ITD 45 (Jp.), the Assessing Officer was directed to allow such part of the interest paid by the assessee as does not belong to him u/s 24 of the Income Tax Act. In case of non-refundable withdrawal from General Provident Fund, the amount belongs to the subscriber himself and is not to be repaid. Therefore, the loss of interest is not deductible u/s 24 of the Income Tax Act.

Ban on New Recruitment

†3317. SHRI JANESHWAR MISHRA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that no effort has been made to find the solution of the problem such as unemployment in the budget 2003-04;

(b) the total number of unemployed persons in the country at present under literate/illiterate/semiliterate/skilled/unskilled categories;

(c) whether it is also a fact that instead of removal of unemployment ban is being imposed on new recruitment in Government jobs and many posts are being abolished;

(d) if so, the details thereof; and

(e) Government's attitude towards unemployment in the light of said facts?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) No Sir. On the contrary one of the 'Panch Priorities' mentioned in the budget 2003-04 includes "powerty eradication, addressing the lifetime concerns of our citizens covering health, housing, and employment". In particular the budget allocates substantial outlay on infrastructure development and agriculture development which would provide opportunities for higher employment.

(b) As per the results of National Sample Survey Organisation on employment and unemployment (55th round 1999-2000) the number of unemployed has increased from 20.13 million in 1993-94 to 26.58 million in 1999-2000. In general, unemployment rates are higher in urban areas than rural areas. Female unemployment rates are generally higher than

†Original notice of the question was received in Hindi.

male unemployment rates. The unemployment rates for illiterate is as low as 0.2 percent of the labour force rising to 1.2 percent for literates upto primary school and 3.3 percent for middle school. For educated labour (secondary education and above) the rate was 7.1 percent.

(c) and (d) In the budget for 2002-03 it was announced as part of expenditure management that, out of the surplus manpower of 42,200 in 36 Ministries/Departments where the Expenditure Reforms Commission (ERC) completed its work nearly 12,200 posts were expected to be abolished by the end of March, 2002. The decision to limit fresh recruitrnent for 1 per cent of total civilian strength will continue to be implemented over the next four years. Around 23,901 posts have been identified for abolition so far by various Ministries/Departments and out of these around 12,898 posts have already been abolished.

(e) Eradication of poverty and unemployment remains high on the agenda of the government. Although ongoing economic reforms have led to a deceleration in the growth rate in the organized employment in the recent years, there has been significant improvement in the employment growth rates in the unorganized sectors particularly 'services'.

Reappointment of auditors

3318. SHRI MUNAWAR HASAN: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that company's auditors are re-appointed and continue to audit their accounts for 15-20 years leading to mal-practices; and

(b) what action Government propose to take to prevent the reappointment of such auditors?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) and (b) Auditors of a company are appointed by the shareholders, every year, at the annual general meeting, under Section 224 of the Companies Act, 1956. This Act, (which includes mandatory compliance of Accounting Standards) and the Chartered Accountants Act, 1949 contain provisions to deal with, and punish, any mal-practices in this regard.